

Assembly Bill No. 674

Passed the Assembly January 21, 2014

Chief Clerk of the Assembly

Passed the Senate June 26, 2014

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2014, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Section 18000 of the Business and Professions Code, relating to small business regulations.

LEGISLATIVE COUNSEL'S DIGEST

AB 674, Quirk-Silva. Microenterprise.

Existing law defines microenterprise as a sole proprietorship, partnership, or corporation that has fewer than 5 employees, including the owner, and generally lacks access to conventional loans, equity, or other banking services, as provided. Existing law distinguishes a microenterprise from a small business or microbusiness. Existing law encourages specified local agencies to access, include, and promote local partnerships that invest in microenterprise development, as provided. Existing law defines a “microenterprise development provider” to mean a nonprofit or public agency that provides self-employment training, technical assistance, and access to microloans to individuals seeking to become self-employed or to expand their current business.

This bill would modify the definition of microenterprise to also include a limited liability company, increase the number of employees to 5 or fewer, and require that the entity generally lack sufficient access to loans, equity, or other financial capital. The bill would delete those provisions expressly distinguishing a microenterprise from a small business or microbusiness. The bill would modify the definition of microenterprise development provider to also include a nonprofit organization or public agency that provides self-employment training, technical assistance, and access to microloans to a microenterprise seeking to expand its current business.

The people of the State of California do enact as follows:

SECTION 1. Section 18000 of the Business and Professions Code is amended to read:

18000. (a) For purposes of this part, “microenterprise” means a sole proprietorship, partnership, limited liability company, or corporation that meets both of the following requirements:

(1) Has five or fewer employees, including the owner, who may be part time or full time.

(2) Generally lacks sufficient access to loans, equity, or other financial capital.

(b) For purposes of this part, “microenterprise development provider” means a nonprofit organization or public agency that provides self-employment training, technical assistance, and access to microloans to individuals seeking to become self-employed or to a microenterprise seeking to expand its current business.

Approved _____, 2014

Governor